



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 29, 2012

H.R. 4471 **Gasoline Regulations Act of 2012**

*As ordered reported by the House Committee on Energy and Commerce
on April 25, 2012*

H.R. 4471 would establish an interagency committee—the Transportation Fuels Regulatory Committee—to analyze and report to the Congress in 2013 on the impact a variety of rules and actions taken by the Environmental Protection Agency (EPA) would have on gasoline and diesel fuel prices. The Secretary of Energy would chair the committee, which would consist of representatives from various agencies, including EPA, the Department of Labor, and the Department of Transportation. The committee would analyze the potential economic impact of specific EPA rules and actions that are scheduled to become final in 2016 and 2020. The bill also would delay the implementation of several EPA rules until six months after the release of the committee’s report. Finally, the bill would require that revisions to any national standards regarding ozone and ambient air quality take into account feasibility and cost.

Assuming appropriation of the necessary amounts, CBO estimates that implementing H.R. 4471 would cost \$3 million over the 2013-2017 period. Enacting this legislation would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

H.R. 4471 would require the Transportation Fuels Regulatory Committee to conduct a variety of analyses of certain EPA rules and actions, including the Tier 3 Motor Vehicle Emission and Fuel Standards, new or revised standards under section 111 or 112 of the Clean Air Act applicable to petroleum refineries, and new Renewable Fuels Program rules. Such analyses would include estimates of the cumulative impact of the covered rules and actions in relation to changes in prices of gasoline and diesel fuel, costs for capital investments, and employment. The committee also would analyze the cumulative impact of the covered rules and actions on consumers; small businesses; regional economies; public health; state, local, and tribal governments; and other areas. According to the Energy Information Administration, completing a thorough analysis of such issues could require a significant increase in funding to gather new data and expand the agency’s analytical capacity. However, the bill requires that the analyses be completed during the year following enactment and rely on readily available, existing data. Given

those specifications and based on information about the cost of similar work by EPA and the Energy Information Administration, CBO estimates that this work would cost \$3 million in 2013.

The bill also would delay the implementation of several EPA rules related to fuel consumption and emissions, but CBO estimates that delay would not have a significant impact on the federal budget. Additionally, the bill would require EPA to consider feasibility and cost when revising any ambient-air-quality standards for ozone. Based on information from EPA, CBO estimates that such considerations would require some additional work by EPA, but costs to carry out that work would total less than \$500,000 annually.

H.R. 4471 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Susanne S. Mehlman. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.